

**HEATHER GARDENS METROPOLITAN DISTRICT
REGULAR MEETING
Thursday, August 19, 2021**

The regular meeting of the Board of Directors of the Heather Gardens Metropolitan District ("HGMD") was held via Zoom/Telephone in the office of the District, 2888 S. Heather Gardens Way, Arapahoe County, Colorado, on Thursday, August 19, 2021 at 1:00 P.M.

CALL TO ORDER: President Funk called the meeting to order at approximately 1:00 P.M. on Thursday, August 19, 2021. A quorum was present.

BOARD MEMBERS PRESENT: President David Funk, Vice President Michael George, Treasurer/Secretary William Archambault, and Directors Eloise Laubach and Maria Mines.

BOARD MEMBERS ABSENT: None.

STAFF PRESENT: Chief Executive Officer (CEO) Jon Rea, Chief Operations Officer (COO) Jason Altshuler, and Chief Financial Officer (CFO) Jerry Counts.

GUESTS PRESENT: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C., three members of the Heather Gardens Association Board, Lynn Donaldson with Heather 'n Yon, and approximately 21 members of the public were present.

APPROVAL OF MINUTES: Motion made by Vice President George and seconded by Director Laubach and passed unanimously to approve the minutes of the July 22, 2021 Special Meeting as written.

REPORTS OF DIRECTORS, COMMITTEES, AND PROFESSIONAL CONSULTANTS:

President Report: President Funk commented that the COVID-19 conditions are being monitored in the state of Colorado as it is ranked 7th in the nation. The Delta variant is a concern and HGMD Board meetings will continue via Zoom.

Chief Executive Officer (CEO) Report: The Board received a copy of the CEO's Statement of Work. The CEO stated that an offer was extended for the Clubhouse Manager position and the new hire will begin on August 30, 2021. There were no questions or comments.

Clubhouse/Restaurant Committee: The Board received a copy of the Clubhouse/Restaurant Report. Director Mines reported that the committee was excited to hear the good news about the Clubhouse Manager position being filled. At the last committee meeting, there was a discussion to make changes on Clubhouse hours and swim times, but it was decided to wait on changes until the new manager started. The

Restaurant is doing well. The committee suggested working on marketing and advertising for the Restaurant in the next few months. There were no questions or comments.

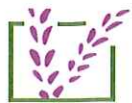
Foundation Committee: The Board received a copy of the Foundation Report. Director Laubach reported that the Golf and Restaurant Managers will be working on providing a list of projects for support from the Foundation. There was a discussion at their last meeting about a staff member having a tree plan, but no one knew how to get access to it. COO Altshuler commented that he was able to find the tree plan and that he and the Roads & Grounds Manager will be updating it and will forward it to the committee. The tree plan provides a map of all the trees in the Heather Gardens community. The plan also provides which trees were replaced and those that still need to be replaced. The September meeting has been canceled due to the Chair being out of town to welcome and meet her first grandchild. There were no further questions or comments.

Golf Committee: The Board received a copy of the Golf Report. Vice President George reported the golf course is doing well and is expected to get busier in the next few months with the weather cooling down. Some of the committee members requested for the dress code to be updated. This topic will be discussed at the October meeting due to the September meeting being canceled. There were no questions or comments.

Property Policy Committee: No Meeting. President Funk said they are working on verifying the status of the leases for current occupancies for the spaces. There are a number of those spaces in the RV Lot that are occupied by vehicles that no longer meet RV standards. The owners of those vehicles will be receiving letters that their contract will not be renewed. The process of repaving, fixing, and restriping to the new design is all approved. At this time, the committee is waiting for final notice from the vendors when this can happen due to a letter received recently which notes a shortage of asphalt that has delayed the process. There will be a project to put together the assignment of the new spaces and those that currently have leased space to the correct space that matches the size of their vehicle in the design plan. There were no questions or comments.

Joint Long Range Planning Committee: The Board received a copy of the Joint Long Range Planning Report. President Funk reported that the committee has been established and consists of members of both the HGMD and the Association. At the meeting, the members identified many issues that are of concern to Heather Gardens. The goal is how to identify those issues that affect Heather Gardens and what can be done or should be done. Lastly, the most important thing that came out of the meeting, was to ask the community to come forward with the issues they feel are important and email them to him directly.

Treasurer's Report: The Board received a copy of the Treasurer's Report. Treasurer/Secretary Archambault asked if there were any questions on the report and explained the report will be published in Heather's n Yon next month. There were no questions or comments.



Heather Gardens

METROPOLITAN DISTRICT

Joint Budget and Finance Committee: The Board received a copy of the Joint Budget and Finance Report. Treasurer/Secretary Archambault reported the Association Audit was reviewed by the audit agency and received a clean opinion on their financial statement which is the best to receive. Auditors were highly complementary to CFO Counts and his staff and said that without them the Association may not have received a clean opinion. There were three recommendations passed through the committee 1) to change the amount to be sent for collection to the attorney to be reduced to \$1,000 to \$750, 2) to have Management discontinue accepting credit card payments for dues and assessments, and 3) reinvest on a CD that is maturing that will be discussed later. There were no questions or comments.

Monthly Operating Analysis (MOA): The Board received a copy of the August 2021 MOAs. Treasurer/Secretary Archambault pointed out that 94% of subsidy for the Restaurant has been used as of July. Given the trend by the end of the year, this may exceed the allowed subsidy. Golf has used 84% of the allowed subsidy and although there might be a slight improvement the Golf Course may also exceed the allowed subsidy by the end of the year. The HGMD Board should have more input on what to do if the subsidies are in excess. There were no further questions or comments.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

a.) Motion: Consider approval to Reinvest the Maturing CD in September 2021:

Motion made by Treasurer/Secretary Archambault and seconded by Director Mines and passed unanimously.

Text of Motion: Based on the recommendation of the Budget and Finance Committee, I move that the Heather Gardens Metropolitan District Board of Directors reinvest the Enterprise Fund CD of \$250,000 which is maturing on September 9, 2021, into a CD maturing in one year at the best possible rate.

OPEN FORUM:

Treasurer/Secretary Archambault asked if the HGMD September meeting will be canceled as there will not be a quorum. President Funk announced that the special meeting for September 23 is canceled.

Vice President George asked where the overrun would come from if the Restaurant and Golf go over budget. Treasurer/Secretary Archambault commented that the overage could go against the District reserve or because the Clubhouse is well below their subsidy, these funds can be used to offset the Golf and Restaurant. It was noted that there is one lump sum collected by the Association for the HGMD and if the HGMD stays within the one lump sum, funds can be reallocated without a budget amendment. Treasurer/



Heather Gardens

METROPOLITAN DISTRICT

Secretary Archambault recommended that this is not done in the future and requested that management budget much more carefully and ask managers to adhere to it.

A resident wanted to address his concern that the Board is requiring the residents to sign a liability waiver and release as a condition for using the Clubhouse facilities. His concern is that the General Manager does not have the authority to require the waiver since it was not adopted properly by the Board and would like it eliminated going forward. President Funk commented the Board delegates extensively to the management team via the Management Agreement. Management at the time had made many decisions related to COVID-19 and, in addition, the usage of this waiver is common and was done with input from legal counsel. After further discussion, the resident was advised to not directly contact the HGMD attorney, his concerns would be taken under consideration by the HGMD Board, and there was no timeframe set for a response as requested by the resident.

A resident asked if there has been any discussion about refunding fees due to the Clubhouse being closed. Treasurer/Secretary Archambault commented at this time there has not been any discussion.

A resident commented that she signed two waivers, one for the chapel and the other for the Clubhouse, and the reason is for contact tracing which she strongly agrees with.

ADJOURNMENT: Upon motion by Treasurer/Secretary Archambault, and seconded by Director Laubach, and passed four to one (Vice President George) the meeting adjourned at 1:53 P.M.



William Archambault, Treasurer/Secretary